

Medical Assistance Program

General Fund Comparison of Medicaid to the State Budget

<u>Year</u>	<u>State Budget</u>	<u>% Chg</u>	<u>Medicaid</u>	<u>% Chg</u>	<u>% of Medicaid to State Budget</u>	<u>Medicaid Clients</u>	<u>% Chg</u>
1987	622,435,100	7.2%	24,539,700	20.7%	3.9%	30,428	5.2%
1988	658,870,000	5.9%	26,548,500	8.2%	4.0%	31,456	3.4%
1989	699,236,100	6.1%	31,498,500	18.6%	4.5%	33,387	6.1%
1990	784,505,700	12.2%	39,259,500	24.6%	5.0%	36,441	9.1%
1991	911,749,600	16.2%	50,690,900	29.1%	5.6%	47,027	29.0%
1992	996,243,100	9.3%	56,533,100	11.5%	5.7%	60,184	28.0%
1993	1,025,859,900	3.0%	82,598,200	46.1%	8.1%	71,853	19.4%
1994	1,098,360,700	7.1%	87,893,700	6.4%	8.0%	82,366	14.6%
1995	1,268,128,600	15.5%	92,794,300	5.6%	7.3%	82,527	0.2%
1996	1,337,541,800	5.5%	110,369,100	18.9%	8.3%	84,514	2.4%
1997	1,391,773,100	4.1%	124,020,500	12.4%	8.9%	82,756	(2.1%)
1998	1,446,401,100	3.9%	123,802,200	(0.2%)	8.6%	80,990	(2.1%)
1999	1,609,676,100	11.3%	139,171,800	12.4%	8.6%	85,747	5.9%
2000	1,679,768,900	4.4%	162,758,500	16.9%	9.7%	95,869	11.8%
2001	1,828,502,900	8.9%	205,306,700	26.1%	11.2%	122,788	28.1%
2002	1,979,451,500	8.3%	223,145,700	8.7%	11.3%	141,957	15.6%
2003	1,925,457,700	(2.7%)	236,778,700	6.1%	12.3%	152,678	7.6%
2004	1,987,198,800	3.2%	256,307,300	8.2%	12.9%	162,585	6.5%
2005 *	2,107,100,000	6.0%	303,674,600	18.5%	14.4%	171,881	5.7%
Average Annual Change		7.1%		15.7%			10.2%

* State budget general fund reflects the 2005 Estimate and revised Medicaid client forecast.

The average annual growth rate in state general fund expenditures from 1987 to 2005 has been 7.1%, while the average annual growth rate in Medicaid over this same time period has been about 15.7%. In effect, doubling about every five years. Medicaid eligibles have grown about 10.2% annually.

In 1987, Medicaid made-up 3.9% of the state general fund budget, but that will likely grow to over 15% in FY 2006.

Medicaid was expanded greatly from 1987 through 1994. This was the result of both Congressional and Legislative actions. For example, the federal government expanded Medicaid eligibility and reformed the standards that govern nursing home care. These activities resulted with the enactment of three major federal laws: the Omnibus Budget Reconciliation Act (OBRA) of 1987, the Medicare Catastrophic Coverage Act (MCCA) of 1988, and the Omnibus Budget Reconciliation Act (OBRA) of 1989. In 1990, the Idaho Legislature expanded Medicaid to include personal care services and the following year it expanded Medicaid to include other optional services such as durable medical equipment, soft organ transplants, adult dental, adult vision, adult hearing, and prosthetics.

Beginning in 1999, Medicaid once again began to grow significantly. This was due in part to the Congressional expansion of Medicaid to include another new optional program known as the Children's Health Insurance Program (CHIP), which Idaho subsequently adopted.

Medical Assistance Services

Analyst: Holland-Smith

Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2005 Original Appropriation	257.00	288,171,600	1,051,401,100	257.00	288,171,600	1,051,401,100
HB 805 One-time 1% Salary Increase	0.00	49,900	134,800	0.00	49,900	134,800
3. Medicaid Use Increases	0.00	15,457,900	65,719,900	0.00	15,457,900	65,719,900
5. Medicaid Buy-In for Disabled	3.00	0	102,800	3.00	0	102,800
6. Adult Access Card Program	3.00	0	124,700	3.00	0	124,700
Governor's Rescission	0.00	0	0	0.00	(11,300)	(19,300)
FY 2005 Total Appropriation	263.00	303,679,400	1,117,483,300	263.00	303,668,100	1,117,464,000
Non-Cognizable Funds and Transfers	0.00	(4,800)	118,600	0.00	(4,800)	118,600
FY 2005 Estimated Expenditures	263.00	303,674,600	1,117,601,900	263.00	303,663,300	1,117,582,600
Removal of One-Time Expenditures	0.00	(160,100)	(2,758,200)	0.00	(148,800)	(2,738,900)
FY 2006 Base	263.00	303,514,500	1,114,843,700	263.00	303,514,500	1,114,843,700
Benefit Costs	0.00	78,100	237,200	0.00	60,400	183,500
Inflationary Adjustments	0.00	29,379,600	99,172,400	0.00	11,076,400	38,134,500
Replacement Items	0.00	36,000	71,700	0.00	0	0
Nonstandard Adjustments	0.00	(40,700)	40,400	0.00	(40,700)	40,400
Annualizations	0.00	(468,400)	1,373,300	0.00	(468,400)	1,373,300
Change in Employee Compensation	0.00	49,800	140,500	0.00	49,800	140,500
27th Payroll	0.00	187,600	528,100	0.00	187,600	528,100
Fund Shifts	0.00	6,551,800	0	0.00	6,551,800	0
FY 2006 Program Maintenance	263.00	339,288,300	1,216,407,300	263.00	320,931,400	1,155,244,000
4. Estate Recovery	3.00	(34,200)	171,000	3.00	37,700	242,900
9. Mental Hlth Care Provider Credentialing	1.00	7,200	(245,000)	1.00	7,200	(245,000)
10. Community Based Long-Term Care	7.00	99,700	398,500	7.00	99,700	398,500
15. Health Facility Surveyors	4.00	151,600	303,200	4.00	138,800	277,600
17. Develop County Options Project	1.00	56,600	113,200	1.00	56,600	113,200
FY 2006 Total	279.00	339,569,200	1,217,148,200	279.00	321,271,400	1,156,031,200
Change from Original Appropriation	22.00	51,397,600	165,747,100	22.00	33,099,800	104,630,100
% Change from Original Appropriation		17.8%	15.8%		11.5%	10.0%

Medical Assistance Program

Medicaid Provider Payments by Type of Service

(All Funds)

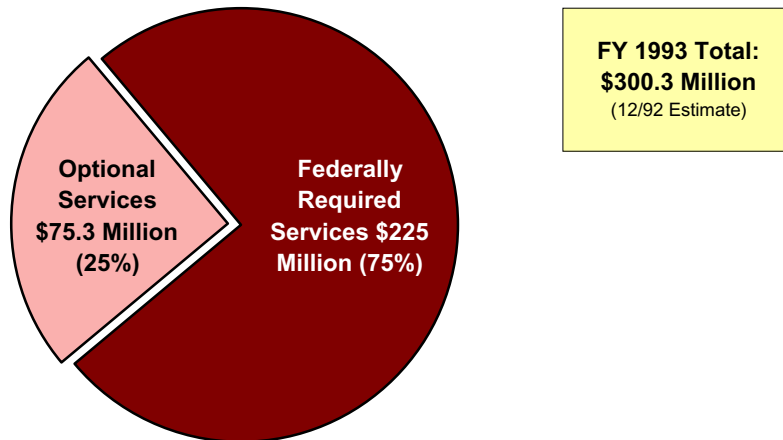
DATA SORTED BY FY 2006 ESTIMATE: HIGH TO LOW

Type of Service	FY 2004 Actual	Annual Change	FY 2005 Estimate	Annual Change	FY 2006 Estimate	Annual Change
1 Prescription Drugs	146,263,050	13.76%	164,297,000	12.33%	184,453,095	12.27%
2 Inpatient Hospital	138,695,753	13.98%	148,565,719	7.12%	160,950,139	8.34%
3 Nursing Facilities	124,802,323	-1.91%	133,068,000	6.62%	138,170,185	3.83%
4 Waivered Services	95,930,585	4.93%	108,454,830	13.06%	115,032,576	6.06%
5 Mental Health	70,674,306	29.72%	86,042,759	21.75%	107,478,222	24.91%
6 Physician Services	61,485,373	23.21%	62,119,440	1.03%	65,227,708	5.00%
7 Developmental Disability Ctrs	44,963,083	11.90%	52,780,561	17.39%	56,950,389	7.90%
8 Outpatient Hospital	39,115,055	4.70%	42,244,732	8.00%	45,533,568	7.79%
9 Personal Care Services	24,452,684	32.32%	29,640,712	21.22%	35,525,887	19.86%
10 Intermediate Care Facilities - MR	35,372,902	(0.44%)	34,816,913	(1.57%)	34,583,717	(0.67%)
11 Dental Services	22,901,395	53.70%	24,135,452	5.39%	25,729,859	6.61%
12 Medicare Parts A & B	19,194,643	15.65%	21,692,993	13.02%	24,799,717	14.32%
13 Children's Hlth Insurance Prgrm A	16,867,288	4.22%	17,857,900	5.87%	18,034,874	0.99%
14 Medical Transportation	12,771,777	7.46%	13,917,151	8.97%	15,518,220	11.50%
15 Targeted Case Management	9,631,915	-19.51%	12,280,781	27.50%	14,393,025	17.20%
16 Durable Medical Equip & Supplies	10,173,365	10.64%	13,266,958	30.41%	13,561,250	2.22%
17 DSH Hospital Payments	10,300,018	0.28%	12,135,991	17.82%	12,135,991	0.00%
18 School District Services	6,595,182	119.90%	8,347,441	26.57%	11,848,317	41.94%
19 Laboratory & Radiology Services	10,025,027	17.98%	10,941,705	9.14%	11,789,699	7.75%
20 Upper Payment Limits	9,067,139	(12.57%)	13,100,306	44.48%	9,546,753	(27.13%)
21 Other Practitioners	8,156,562	24.22%	8,570,983	5.08%	9,094,109	6.10%
22 Ambulatory Surgical Ctrs	6,634,335	23.79%	7,462,757	26.91%	8,419,583	12.82%
23 Rural Health Clinic Services	6,995,396	11.18%	6,672,000	-4.62%	7,733,459	15.91%
24 EPSDT Services	4,886,714	12.13%	6,783,866	38.82%	7,606,745	12.13%
25 Home Health Services	6,361,557	-10.83%	6,706,928	5.43%	7,056,917	5.22%
26 Primary Care Case Management	4,639,104	22.00%	5,985,941	29.03%	6,385,374	6.67%
27 Physical Therapy	4,369,316	5.86%	5,476,532	25.34%	5,607,220	2.39%
28 Federally Qualified Health Ctrs	4,875,782	54.78%	4,631,845	(5.00%)	5,591,611	20.72%
29 Children's Hlth Insurance Prgrm B	0	0.00%	1,508,900	100.00%	4,556,467	201.97%
30 Nurse Aide Training/DUR/Misc.	898,670	221.87%	2,869,800	219.34%	2,869,800	0.00%
31 Breast & Cervical Cancer	1,446,807	53.90%	2,406,100	66.30%	2,574,527	7.00%
32 Indian Health Services	2,036,091	(2.26%)	2,532,787	24.39%	2,167,535	(14.42%)
33 Hospice Benefits	1,678,388	88.82%	1,838,616	9.55%	2,095,786	13.99%
34 Family Planning	1,286,848	9.63%	1,651,886	28.37%	1,783,363	7.96%
35 Outpatient Rehabilitation	1,218,122	2.11%	1,625,468	33.44%	1,651,953	1.63%
36 Prosthetic & Orthotic Services	1,093,247	19.91%	1,308,429	19.68%	1,342,891	2.63%
37 Optician Services & Supplies	1,191,471	4.79%	1,264,527	6.13%	1,277,394	1.02%
38 Group Health Plan Payments	1,106,269	(24.46%)	915,533	(17.24%)	960,409	4.90%
39 Sterilizations	708,519	11.47%	758,501	7.05%	820,932	8.23%
40 Audiologist	338,806	12.97%	431,457	27.35%	438,091	1.54%
41 District Health	102,352	169.35%	141,352	38.10%	143,103	1.24%
42 Abortions	0	0.00%	2,348	0.00%	0	0.00%
Total Excluding ISSH and SHS	969,307,219	11.47%	1,081,253,900	11.55%	1,181,440,460	9.27%

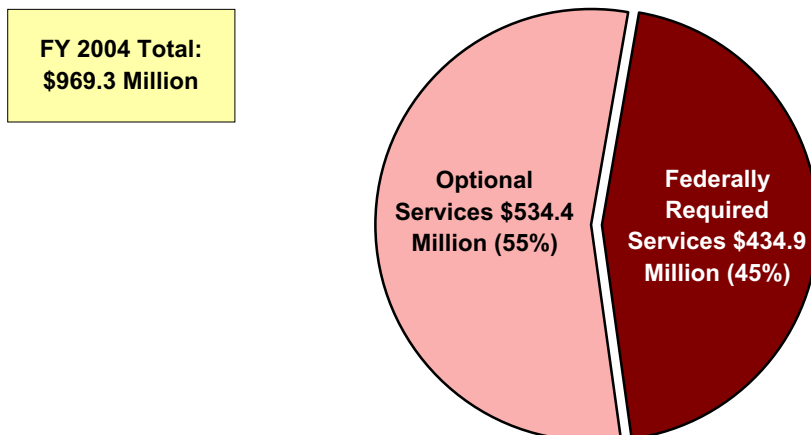
NOTE: The payments to State Hospital South are included in Mental Health Services for 2003. Effective 7/1/2004, funds are directly appropriated to SHS and will no longer be reflected in the provider payment type "Mental Health".

Medical Assistance Program Federally Required vs Optional Medicaid Services

In FY 1993, Expenditures for Federally Required Services Amounted to 75% of the Overall Medicaid Budget with the Cost of Optional Services 25% of the Total.



In FY 2004, Expenditures for Federally Required Services Dropped to 45% of the Overall Medicaid Budget with Optional Services Expanding to 55%.



Required Services. Idaho must ensure that Medicaid clients receive the health care services required by federal guidelines. These mandatory services include physician visits, family planning, laboratory tests, health screening services for individuals under age 21, hospital inpatient and outpatient services, and prescription drugs for children and pregnant women.

Optional Services. Idaho also provides a number of optional services, such as prescription drugs for adults; expanded personal care services; full coverage of prosthetic devices for adults; dental, eye, and hearing services for adults; heart, liver and other organ transplants for adults; payment for services at long-term care facilities for the mentally retarded; adoption and expansion of a children's health insurance program; services for developmentally disabled adults; mental health services for adults; chiropractic and podiatry services; physical therapy; enhanced pregnancy services; breast and cervical cancer services; and services from ambulatory surgical centers.

Medical Assistance Program

Federally Required and Optional Medicaid Services by Service Category

DOLLARS IN MILLIONS

Service Required	Rate Set	Service Category	2003 Actual	2004 Actual	Annual Chg	2005 Estimate	Annual Chg	2006 Estimate	Annual Chg
federal	federal	Rural Health Clinic Services	6.3	7.0	11.2%	6.7	(4.6%)	7.7	15.9%
federal	federal	Hospice Benefits	0.9	1.7	88.8%	1.8	9.5%	2.1	14.0%
federal	federal	Federally Qualified Health Ctrs	3.2	4.9	54.8%	4.6	(5.0%)	5.6	20.7%
federal	federal	Indian Health Services	2.1	2.0	(2.3%)	2.5	24.4%	2.2	(14.4%)
federal	state	Nursing Facility	127.2	124.8	(1.9%)	133.1	6.6%	138.2	3.8%
federal	state	Physician Services	49.9	61.5	23.2%	62.1	1.0%	65.2	5.0%
federal	rule	Hospital-Inpatient & Outpatient	159.0	177.8	11.8%	190.8	7.3%	206.5	8.2%
federal	rule	Laboratory/Radiology Services	8.5	10.0	18.0%	10.9	9.1%	11.8	7.8%
federal	rule	EPSDT Services	4.4	4.9	12.1%	6.8	38.8%	7.6	12.1%
federal	rule	Medical Transportation	11.9	12.8	7.5%	13.9	9.0%	15.5	11.5%
federal	rule	Family Planning	1.2	1.3	9.6%	1.7	28.4%	1.8	8.0%
state	state	ICF/MR Care	35.5	35.4	(0.4%)	34.8	(1.6%)	34.6	(0.7%)
state	state	Aged/Disabled-Waiver	52.0	50.1	(3.6%)	53.4	6.6%	55.3	3.5%
state	state	Personal Care Svs Plan	18.5	24.5	32.3%	29.6	21.2%	35.5	19.9%
state	rule	Prescribed Drugs	128.6	146.3	13.8%	164.3	12.3%	184.5	12.3%
state	rule	Dental Services	14.9	22.9	53.7%	24.1	5.4%	25.7	6.6%
state	rule	ISSH/DD Waiver	38.2	44.7	17.0%	53.8	20.5%	58.1	8.0%
state	rule	TBI Waiver	1.2	1.1	(9.9%)	1.2	6.1%	1.6	36.4%
state	rule	Targeted Case Management	12.0	9.6	(19.5%)	12.3	27.5%	14.4	17.2%
state	rule	Development Disability Ctrs	40.2	45.0	11.9%	52.8	17.4%	57.0	7.9%
state	rule	Durable Medical Equipment	9.1	10.2	12.3%	13.3	30.4%	13.6	2.2%
state	rule	Inpatient Mental Health	10.8	11.4	5.5%	15.6	36.8%	19.1	22.3%
state	rule	Medical Supplies	0.1	0.0	0.0%	0.0	0.0%	0.0	0.0%
state	rule	Miscellaneous Services	14.1	21.3	51.5%	25.3	18.8%	28.2	11.5%
		<i>Outpatient Rehab</i>	1.2	1.2	2.1%	1.6	33.4%	1.7	1.6%
		<i>School District Services</i>	3.0	6.6	119.9%	8.3	26.6%	11.8	41.9%
		<i>Nurse's Aide Training</i>	0.3	0.9	221.8%	2.9	219.3%	2.9	0.0%
		<i>District Health</i>	0.0	0.1	169.3%	0.1	38.1%	0.1	1.2%
		<i>Other Practitioners</i>	9.6	12.5	30.8%	12.3	(1.2%)	11.7	(5.0%)
state	rule	Breast & Cervical Cancer	0.9	1.4	53.9%	2.4	66.3%	2.6	7.0%
rule	federal	Home Health Services	7.1	6.4	(10.8%)	6.7	5.4%	7.1	5.2%
rule	federal	Medicare Parts A & B	16.6	19.2	15.7%	21.7	13.0%	24.8	14.3%
rule	rule	Physical Therapy	4.1	4.4	5.9%	5.5	25.3%	5.6	2.4%
rule	rule	Group Health Plan Payments	1.5	1.1	(24.5%)	0.9	(17.2%)	1.0	4.9%
rule	rule	Mental Health	40.6	59.3	45.8%	70.5	18.9%	88.4	25.5%
rule	rule	Inst Mental Disease-SHS	3.0	0.0	(100.0%)	0.0	0.0%	0.0	0.0%
rule	rule	Healthy Connections	3.8	4.6	22.0%	6.0	29.0%	6.4	6.7%
rule	rule	Ambulatory Surgical Centers	5.4	6.6	23.8%	7.5	12.5%	8.4	12.8%
rule	rule	Childrens Health Program (A)	16.2	16.9	4.2%	17.9	5.9%	18.0	1.0%
rule	rule	Childrens Health Program (B)	0.0	0.0	0.0%	1.5	100.0%	4.6	202.0%
rule	rule	Hospital DSH	10.3	10.3	0.3%	12.1	17.8%	12.1	0.0%
rule	rule	Upper Payment Limit	10.4	9.1	(12.6%)	13.1	44.5%	9.5	(27.1%)
Total Expenditures			869.6	969.3		1,081.3		1,181.4	
Percent Change			11.9%	11.5%		11.5%		9.3%	